

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

FINANCIAL REPORT

December 31, 2002

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JUL 30 2003

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HILL, INZINA & COMPANY

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Police Jurors
Richland Parish Police Jury
Rayville, Louisiana

We have audited the accompanying primary government financial statements of Richland Parish Police Jury, as of and for the year ended December 31, 2002, as listed in the table of contents. These financial statements are the responsibility of the management of Richland Parish Police Jury. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units. In our opinion, the primary government financial statements present fairly, in all material respects, the financial position of the primary government of Richland Parish Police Jury, as of December 31, 2002, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

However, the primary government financial statements, because they do not include the financial data of component units of Richland Parish Police Jury, do not purport to, and do not, present fairly the financial position of Richland Parish Police Jury, as of December 31, 2002, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying primary government financial statements have been prepared assuming that Richland Parish Police Jury will continue as a going concern. As discussed in Note 2 to the primary government financial statements, the General Fund had a deficiency of revenues and other financing sources over expenditures and other financing uses of \$962 for the year ended December 31, 2002. This condition raises substantial doubt about the Jury's ability to continue as a going concern. The primary government financial statements do not include any adjustments that might result from the outcome of this uncertainty.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 9, 2003, on our consideration of Richland Parish Police Jury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the primary government financial statements taken as a whole. The combining financial statements and financial information listed as supplementary information in the table of contents are presented for purposes of additional analysis and are not a required part of the primary government financial statements of Richland Parish Police Jury. Such information has been subjected to the auditing procedures applied in the audit of the primary government financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the primary government financial statements taken as a whole.

Hill, Ory & Co.

May 9, 2003

PRIMARY GOVERNMENT FINANCIAL STATEMENTS

(COMBINED STATEMENTS - OVERVIEW)

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

December 31, 2002

With Comparative Totals for December 31, 2001

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund Type</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Agency</u>
ASSETS AND OTHER DEBITS				
Assets:				
Cash	\$ 53,790	\$ 746,529	\$ -	\$ 140,956
Investments	7,831	15,223	-	-
Receivables	266,320	586,417	21,239	8,206
Due from other funds	82,354	268,356	-	-
Restricted cash	13,498	-	-	-
Fixed assets	-	-	-	-
Other debits:				
Amount to be provided for retirement of general long-term debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and other debits	<u>\$ 423,793</u>	<u>\$ 1,616,525</u>	<u>\$ 21,239</u>	<u>\$ 149,162</u>

<u>Account Groups</u>		<u>Totals -</u> <u>(Memorandum Only)</u>	
<u>General</u>	<u>General</u>	<u>December 31,</u>	
<u>Fixed</u>	<u>Long-Term</u>	<u>2002</u>	<u>2001</u>
<u>Assets</u>	<u>Debt</u>		
\$ -	\$ -	\$ 941,275	\$ 998,858
-	-	23,054	-
-	-	882,182	778,338
-	-	350,710	399,683
-	-	13,498	13,438
7,842,511	-	7,842,511	6,390,719
<u>-</u>	<u>414,365</u>	<u>414,365</u>	<u>463,320</u>
<u>\$ 7,842,511</u>	<u>\$ 414,365</u>	<u>\$10,467,595</u>	<u>\$ 9,044,356</u>

(continued)

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS (Continued)
December 31, 2002
With Comparative Totals for December 31, 2001

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund Type</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Agency</u>
LIABILITIES, EQUITY, AND OTHER CREDITS				
Liabilities:				
Accounts payable	\$ 51,366	\$ 230,329	\$ 21,239	\$ 2,682
Payroll deductions payable	26,120	-	-	-
Property taxes paid under protest	7,831	15,223	-	-
Due to other funds	98,975	105,255	-	146,480
Deferred revenue	240,463	458,245	-	-
Payable from restricted assets:				
Deposits held for others	-	12,177	-	-
Capital leases payable	-	-	-	-
General obligation bonds payable	-	-	-	-
Notes payable	-	-	-	-
Compensated absences payable	-	-	-	-
Total liabilities	<u>\$ 424,755</u>	<u>\$ 821,229</u>	<u>\$ 21,239</u>	<u>\$ 149,162</u>
Equity and other credits:				
Investment in general fixed assets	\$ -	\$ -	\$ -	\$ -
Fund balances - unreserved and undesignated (deficit)	(962)	795,296	-	-
Total equity and other credits	<u>\$(962)</u>	<u>\$ 795,296</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities, equity, and other credits	<u>\$ 423,793</u>	<u>\$ 1,616,525</u>	<u>\$ 21,239</u>	<u>\$ 149,162</u>

See notes to financial statements.

<u>Account Groups</u>		<u>Totals -</u> <u>(Memorandum Only)</u>	
<u>General</u>	<u>General</u>	<u>December 31,</u>	
<u>Fixed</u>	<u>Long-Term</u>	<u>2002</u>	<u>2001</u>
<u>Assets</u>	<u>Debt</u>		
\$ -	\$ -	\$ 305,616	\$ 159,402
-	-	26,120	28,204
-	-	23,054	-
-	-	350,710	399,683
-	-	698,708	654,167
-	-	12,177	12,177
-	224,379	224,379	343,713
-	-	-	6,411
-	159,558	159,558	87,063
-	30,428	30,428	26,133
<u>\$ -</u>	<u>\$ 414,365</u>	<u>\$ 1,830,750</u>	<u>\$ 1,716,953</u>
\$ 7,842,511	\$ -	\$ 7,842,511	\$ 6,390,719
-	-	794,334	936,684
<u>\$ 7,842,511</u>	<u>\$ -</u>	<u>\$ 8,636,845</u>	<u>\$ 7,327,403</u>
<u>\$ 7,842,511</u>	<u>\$ 414,365</u>	<u>\$ 10,467,595</u>	<u>\$ 9,044,356</u>

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES

Year Ended December 31, 2002

With Comparative Totals for Year Ended December 31, 2001

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>
Revenues:			
Taxes	\$ 242,259	\$ 2,838,994	\$ -
Licenses and permits	59,179	-	-
Intergovernmental	255,367	1,211,480	245,683
Fees, charges, and commissions for services	24,193	1,635	-
Fines and forfeitures	4,565	219,014	-
Interest and miscellaneous	16,907	112,017	-
	<u>\$ 602,470</u>	<u>\$ 4,383,140</u>	<u>\$ 245,683</u>
Expenditures:			
Current:			
General government:			
Legislative	\$ 108,145	\$ -	\$ -
Judicial	63,630	194,890	-
Executive	15,513	-	-
Elections	21,826	-	-
Finance and administrative	22,047	-	-
Other	159,763	-	-
Public safety	180,766	-	-
Public works	-	2,580,673	-
Health and welfare	5,871	39,832	-
Culture and recreation	-	350,982	-
Economic development and assistance	56,841	-	-
Debt service	40,509	179,636	-
Capital outlay	103,475	1,145,676	245,683
	<u>\$ 778,386</u>	<u>\$ 4,491,689</u>	<u>\$ 245,683</u>

Totals - (Memorandum Only) Year Ended December 31,	
<u>2002</u>	<u>2001</u>
\$ 3,081,253	\$ 3,032,481
59,179	61,593
1,712,530	1,282,052
25,828	18,379
223,579	198,936
<u>128,924</u>	<u>60,386</u>
<u>\$ 5,231,293</u>	<u>\$ 4,653,827</u>

\$ 108,145	\$ 90,112
258,520	245,073
15,513	15,717
21,826	23,390
22,047	37,851
159,763	409,943
180,766	147,446
2,580,673	2,571,147
45,703	110,724
350,982	398,328
56,841	33,714
220,145	224,540
<u>1,494,834</u>	<u>443,516</u>
<u>\$ 5,515,758</u>	<u>\$ 4,751,501</u>

(continued)

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES (Continued)

Year Ended December 31, 2002

With Comparative Totals for Year Ended December 31, 2001

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>
Excess (deficiency) of revenues over expenditures	\$(175,916)	\$(108,549)	\$ -
Other financing sources:			
Proceeds of capital leases	-	42,118	-
Proceeds of loan	100,000	-	-
Operating transfers in (out)	48,000	(48,000)	-
Sale of fixed assets	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$(27,916)	\$(114,431)	\$ -
Fund balances - beginning	26,954	909,727	-
Cumulative effect of change in accounting principle	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit) - ending	<u><u>\$(962)</u></u>	<u><u>\$ 795,296</u></u>	<u><u>\$ -</u></u>

See notes to financial statements.

Totals - (Memorandum Only) Year Ended December 31,	
<u>2002</u>	<u>2001</u>
S(284,465)	S(97,674)
42,118	-
100,000	-
-	-
<u>-</u>	<u>305</u>
S(142,347)	S(97,369)
936,681	1,657,722
<u>-</u>	<u>(623,669)</u>
<u>\$ 794,334</u>	<u>\$ 936,684</u>

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
(NON-GAAP BUDGETARY BASIS) - GENERAL AND SPECIAL REVENUE FUNDS
Year Ended December 31, 2002

	<u>General</u>		Variance -
	<u>Budget</u>	<u>Actual</u>	Favorable (Unfavorable)
Revenues:			
Taxes	\$ 238,435	\$ 245,882	\$ 7,447
Licenses and permits	59,604	59,604	-
Intergovernmental	264,158	288,941	24,783
Fees, charges, and commissions for services	23,898	23,898	-
Fines and forfeitures	4,564	4,564	-
Interest and miscellaneous	<u>27,402</u>	<u>16,981</u>	<u>(10,421)</u>
	<u>\$ 618,061</u>	<u>\$ 639,870</u>	<u>\$ 21,809</u>
Expenditures:			
Current:			
General government:			
Legislative	\$ 111,039	\$ 111,039	\$ -
Judicial	51,576	61,157	(9,581)
Executive	15,901	15,901	-
Elections	20,592	20,592	-
Finance and administrative	26,848	25,048	1,800
Other	294,437	176,083	118,354
Public safety	187,012	175,156	11,856
Public works	-	-	-
Health and welfare	5,926	5,926	-
Culture and recreation	-	-	-
Economic development and assistance	45,234	47,709	(2,475)
Debt service	6,754	40,509	(33,755)
Capital outlay	<u>4,733</u>	<u>103,475</u>	<u>(98,742)</u>
	<u>\$ 770,052</u>	<u>\$ 782,595</u>	<u>\$ (12,543)</u>

Special Revenue

<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
\$ 2,767,955	\$ 2,846,242	\$ 78,287
-	-	-
1,037,144	1,120,716	83,572
1,400	1,635	235
221,054	215,791	(5,263)
<u>197,964</u>	<u>117,403</u>	<u>(80,561)</u>
<u>\$ 4,225,517</u>	<u>\$ 4,301,787</u>	<u>\$ 76,270</u>

\$ -	\$ -	\$ -
176,222	196,667	(20,445)
-	-	-
-	-	-
-	-	-
-	-	-
2,501,000	2,601,364	(100,364)
319,895	36,837	283,058
477,393	349,249	128,144
-	-	-
-	179,636	(179,636)
<u>1,126,365</u>	<u>992,864</u>	<u>133,501</u>
<u>\$ 4,600,875</u>	<u>\$ 4,356,617</u>	<u>\$ 244,258</u>

(continued)

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
(NON-GAAP BUDGETARY BASIS) - GENERAL AND SPECIAL REVENUE FUNDS
Year Ended December 31, 2002

		<u>General</u>	
	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
Excess (deficiency) of revenues over expenditures	\$(151,991)	\$(142,725)	\$ 9,266
Other financing sources (uses):			
Proceeds of capital leases	-	-	-
Proceeds of loan	100,000	100,000	-
Operating transfers in (out)	<u>48,000</u>	<u>48,000</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$(3,991)	\$ 5,275	\$ 9,266
Fund balances - beginning (non-GAAP and GAAP budgetary basis)	<u>26,954</u>	<u>26,954</u>	<u>-</u>
Fund balances - ending (non-GAAP budgetary basis)	<u>\$ 22,963</u>	\$ 32,229	<u>\$ 9,266</u>
Adjustments to generally accepted accounting principles:			
Revenue accruals		(21,103)	
Due from other funds accruals		-	
Expenditure accruals		4,304	
Deferred revenue accruals		<u>(16,392)</u>	
Fund balances - ending (deficit) (GAAP basis)		<u>\$ (962)</u>	

See notes to financial statements.

<u>Special Revenue</u>		Variance -
<u>Budget</u>	<u>Actual</u>	Favorable (Unfavorable)
S(375,358)	S(54,830)	S 320,528
-	42,118	42,118
-	-	-
<u>(76,945)</u>	<u>(48,000)</u>	<u>28,945</u>

S(452,303)	S(60,712)	S 391,591
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<u>909,727</u>	<u>909,727</u>	<u>-</u>
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<u>\$ 457,424</u>	S 849,015	<u>\$ 391,591</u>
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103,926
(1,811)
(127,684)
<u>(28,150)</u>

<u>\$ 795,296</u>

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2002

Note 1. Organization and Summary of Significant Accounting Policies

Richland Parish Police Jury (the "Jury") is the governing authority for Richland Parish and is a political subdivision of State of Louisiana. The Jury is governed by nine compensated jurors representing, by election, the various districts within the parish. The jurors serve four-year terms that will expire on December 31, 2003.

Louisiana Revised Statute 33:1236 gives the Jury various powers in regulating and directing the affairs of the parish and its inhabitants. The more notable of these are the powers to make regulations for its own government; to regulate the construction and maintenance of roads, bridges, and drainage systems; to regulate the sale of alcoholic beverages; and to provide for the health and welfare of the poor, disadvantaged, and unemployed in the parish. Funding to accomplish these tasks is provided by ad valorem taxes, sales taxes, beer and alcoholic beverage permits, state revenue sharing, and various other state and federal grants.

The parish is located in northeast Louisiana and its population is approximately 21,000. Approximately 575 miles of roads are maintained by the parish. The Jury itself employs approximately 50 people.

In accomplishing its objectives, the Jury also has the authority to create special districts (component units) within the parish. The districts perform specialized functions, such as fire protection, water distribution, sewerage collection and disposal, and health care facilities.

Basis of Presentation:

Except as described in the financial reporting entity definition, the accompanying financial statements of the Jury have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Government Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

NOTES TO FINANCIAL STATEMENTS

Financial Reporting Entity:

As the governing authority of the parish, for reporting purposes, Richland Parish Police Jury is the financial reporting entity for Richland Parish. The financial reporting entity consists of (a) the primary government (Jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Statement No. 14 established criteria for determining which component units should be considered part of Richland Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. the ability of the Jury to impose its will on that organization and/or,
 - b. the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Jury.
2. Organizations for which the Jury does not appoint a voting majority but are fiscally dependent on the Jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Jury has determined that the following component units are part of the reporting entity:

NOTES TO FINANCIAL STATEMENTS

<u>Component Unit</u>	<u>Fiscal Year End</u>	<u>Criteria Used</u>
Fifth Judicial District Attorney	12-31	2 and 3
Fifth Judicial District Judges	12-31	2 and 3
Northside Utility District No. 2	12-31	1
Richland Parish Hospital Service Districts No. 1, 1A, 1B, and 1C	9-30	1 and 2
Start-Girard Fire Protection District	12-31	1
Archibald-Alto Fire Protection District	12-31	1
Holly Ridge Fire Protection District	12-31	1
Mangham Fire Protection District	12-31	1
Richland Parish Communications District	12-31	1
Richland Parish Fire Protection District No. 8	12-31	1
Richland Parish Sales and Use Tax Commission	6-30	2
Ward One Rural Fire Protection District	12-31	1

The Jury has chosen to issue financial statements of the primary government (Jury) only; therefore, none of the previously listed component units are included in the accompanying financial statements. The effect of the omission of these component units is unknown.

GASB Statement No. 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (Jury's) financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. These financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government (Jury).

Considered in the determination of component units of the reporting entity were Richland Parish Sheriff, Richland Parish Clerk of Court, Richland Parish Tax Assessor, Richland Parish School Board, District Attorney and Judges for the Fifth Judicial District, and the various municipalities and nonprofit entities in the parish. It was determined that these governmental and nonprofit entities are not component units of Richland Parish Police Jury reporting entity because (with the exception of the District Attorney and Judges for the Fifth Judicial District) they have separately elected governing bodies, are legally separate, and are fiscally independent of the Jury. They are considered by the Jury to be separate autonomous entities and issue financial statements separate from those of Richland Parish Police Jury reporting entity.

NOTES TO FINANCIAL STATEMENTS

Fund Accounting:

The Jury uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the Jury are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental funds:

Governmental funds are used to account for all or most of the Jury's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

General Fund - the general operating fund of the Jury and accounts for all financial resources, except those required to be accounted for in other funds.

Special Revenue Funds - account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital Projects Funds - account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

Fiduciary fund:

The fiduciary fund is used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the Jury. The fiduciary fund is:

Agency Fund - accounts for assets that the Jury holds on behalf of other funds as their agent. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

NOTES TO FINANCIAL STATEMENTS

Basis of Accounting:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and the fiduciary fund are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental and fiduciary funds. The modified accrual basis of accounting recognizes revenues when both "measurable" and "available". Measurable means the amount can be determined and available means collectible within the current period or soon enough thereafter to pay current liabilities. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

Transfers between funds that are not expected to be repaid (and any other financing source/use) are accounted for as other financing sources (uses) and are recorded when the transaction occurs.

Those major revenues susceptible to accrual are ad valorem taxes, sales taxes, and intergovernmental revenues. Licenses and permits; fees, charges, and commissions for services; and fines and forfeitures are deemed to be susceptible to accrual if they are collected by the Jury within sixty days after year end. Other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

NOTES TO FINANCIAL STATEMENTS

Budgets and Budgetary Accounting:

Preliminary budgets for the ensuing year are prepared by the Secretary/Treasurer during October of each year. During November, the finance committee reviews the proposed budgets and makes changes as it deems appropriate. Notice of the location and the availability of the proposed budgets for public inspection and the date of the public hearing to be conducted on the budgets are then advertised in the official journal. Prior to its regular December meeting, the Jury conducts a public hearing on the proposed budgets in order to receive comments from residents. Changes are made to the proposed budgets based on the public hearing and the desires of the Jury as a whole. The budgets are then adopted during the Jury's regular December meeting and notice of adoption, which includes budget summaries, is published in the official journal.

The Jury adopted annual budgets for the General Fund and Special Revenue Funds on December 17, 2001. The annual budgets were prepared on a non-GAAP budgetary basis of accounting. All budget amendments were approved by the Jury. Budgets were amended at various times throughout the year approving additional revenues and expenditures for the funds. The budget comparison statements included in the accompanying financial statements include the original adopted budgets (non-GAAP budgetary basis) and all subsequent amendments. All annual appropriations lapse at fiscal year end.

Encumbrances:

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Jury.

Cash:

Cash includes amounts in demand deposits and interest-bearing demand deposits. Under state law, the Jury may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Investments:

Investments are limited by Louisiana Revised statute 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Nonparticipating investment contracts, generally certificates of deposit, are reported at cost, which approximates market value.

NOTES TO FINANCIAL STATEMENTS

Uncollectible Allowance:

The statements contain no provision for uncollectible accounts. The Jury is of the opinion that such allowance would be immaterial in relation to the financial statements taken as a whole.

Short-Term Interfund Receivables/Payables:

During the course of operations, numerous transactions occur between individual funds for goods or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet.

Fixed Assets:

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the General Fixed Assets Account Group. Public domain or infrastructures are not capitalized. These assets are immovable and of value only to the Jury. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or if donated, at their estimated market value on the date donated.

Accumulated Compensated Absences:

Full-time employees of the Jury earn from five to ten days of both annual and sick leave each anniversary year of employment, depending on length of service. Employees may accumulate annual leave up to a maximum of 20 days and sick leave up to a maximum of 60 days. Upon resignation, retirement, or the Jury's approval in the case of excess accumulation, employees are compensated for accumulated annual leave at the employee's current rate of pay. Employees are not compensated for nonvesting accumulated sick leave upon termination of employment.

Employees of the Library earn from ten to 20 days of annual leave each anniversary year of employment, depending upon professional status. Up to 10 days of annual leave may be accumulated, depending upon professional status. Upon termination of employment, employees may be paid for accumulated annual leave at their current rate of pay. Employees earn 12 days of sick leave each year and may accumulate up to 30 days. Employees are not paid for nonvesting accumulated sick leave upon termination of employment.

Management of the Criminal Court has not established formal annual and sick leave policies.

NOTES TO FINANCIAL STATEMENTS

For governmental funds, the cost of annual leave is recognized as a current year expenditure within the various funds when annual leave is actually taken or when employees are paid for accrued annual leave upon resignation, retirement, or excess accumulation, while the cost of annual leave privileges not requiring current resources is recorded in the General Long-Term Debt Account Group.

Long-Term Obligations:

Long-term obligations expected to be financed from governmental funds are reported in the General Long-Term Debt Account Group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

Interfund Transactions:

Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Revenue Recognition - Ad Valorem and Sales Taxes:

Ad valorem taxes attach as an enforceable lien on property as of the date the tax rolls are filed with the recorder of mortgages which, by law, must be on or before November 15 of each year. Billed taxes become delinquent on January 1 of the following year. Richland Parish Sheriff bills and collects the Jury's property taxes using the assessed values determined by Richland Parish Tax Assessor. The Jury's ad valorem tax revenues are recognized as deferred revenue when levied.

Sales/use taxes collected and held by other governments at year end on behalf of the Jury and those collected by other governments and remitted to the Jury within 60 days after December 31 for preceding months are recognized as revenue. The sales/use taxes are collected by Richland Parish Sales and Use Tax Commission and remitted to the Jury.

NOTES TO FINANCIAL STATEMENTS

Total Columns on Combined Statements - Overview:

Total columns on the combined statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Comparative Data:

Comparative totals for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Jury's financial position and operations. However, presentation of prior year totals by fund type have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

Note 2. Deficit Fund Balance and Going Concern

At December 31, 2002, the fund balance of the General Fund was in a deficit position of \$962. No particular incident led to the deficit other than just the overall financial burden placed on the Jury. As of the date of this report, management had no formal plans to alleviate the deficit or to slow its increase. This raises substantial doubt about the Jury's ability to continue as a going concern.

Note 3. Deposits with Financial Institutions

At December 31, 2002, the Jury had cash (bank balances) and investments as follows:

Interest-bearing demand deposits	\$ 954,603
Investments	23,054
Petty cash	<u>170</u>
	<u>\$ 977,827</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities were held in the name of the pledging fiscal agent bank in a holding or custodial bank that was mutually acceptable to both parties.

NOTES TO FINANCIAL STATEMENTS

At December 31, 2002, the Jury had \$986,415 in deposits (collected bank balances). These deposits were secured from risk by \$100,000 of federal deposit insurance and \$881,586 of pledged securities held by the Jury or its agent in the name of the Jury (GASB Category 1). The remaining balance of \$4,829 was not secured by the pledge of securities and was a violation of state law.

There were no repurchase or reverse repurchase agreements at December 31, 2002.

Note 4. Receivables

A summary of receivables at December 31, 2002, is as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Agency</u>	<u>Totals</u>
Taxes:					
Ad valorem	\$ 235,963	\$ 449,727	\$ -	\$ -	\$ 685,690
Beer	3,466	-	-	-	3,466
Sales	-	-	-	8,206	8,206
Gross receipts	1,547	-	-	-	1,547
Licenses and permits	1,890	-	-	-	1,890
Intergovernmental:					
Severance taxes	4,620	-	-	-	4,620
Parish transportation	-	17,109	-	-	17,109
Grants	13,983	106,015	21,239	-	141,237
Drivers' license fees	1,575	-	-	-	1,575
Civil defense	2,745	-	-	-	2,745
Fees, charges, and com- missions for services	74	-	-	-	74
Fines and forfeitures	457	13,196	-	-	13,653
Miscellaneous	-	370	-	-	370
	<u>\$ 266,320</u>	<u>\$ 586,417</u>	<u>\$ 21,239</u>	<u>\$ 8,206</u>	<u>\$ 882,182</u>

Note 5. Taxes

The following is a summary of authorized and levied ad valorem taxes for the year:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
General corporate purposes	7.77	8.20	Perpetual
Health unit	1.21	1.28	2008
Library	6.88	7.25	2008

Total ad valorem taxes levied in 2002 were \$698,707 for the above millages. As of December 31, 2002, no amounts were due from prior year tax levies.

NOTES TO FINANCIAL STATEMENTS

The following are the principal ad valorem taxpayers for the parish:

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Ad Valorem Tax Revenue</u>
Tifton Aluminum Co., Inc.	\$ 2,402,300	\$ 145,988
Entergy Louisiana, Inc.	2,332,740	201,694
ANR Pipeline Co.	2,309,490	144,330
Bellsouth Telecommunications, Inc.	1,996,520	141,611
Reliant Transmission	1,791,990	127,060
Richland State Bank	1,486,810	136,659
Kadant Black Clawson	1,053,300	86,434

During the year ended December 31, 2002, sales taxes of 1½% were levied as follows:

<u>Rate</u>	<u>Purpose</u>	<u>Expiration Date</u>
1%	constructing, overlaying, improving, repairing, and maintaining public roads and bridges, and purchase and maintenance of equipment used in connection therewith	December 31, 2004
½%	constructing, improving and maintaining public drains and drainage facilities, and purchase and maintenance of equipment used in connection therewith	December 31, 2004

Note 6. Due From/To Other Funds

A summary of amounts due from/to other funds at December 31, 2002, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Agency	\$ 34
Road Maintenance	Agency	97,631
Road Maintenance	General	17,223
Road Maintenance	Drainage Maintenance	96,706
Drainage Maintenance	Agency	48,816
General	Payroll	39,051
Payroll	General	42,701
Drainage Maintenance	Road Maintenance	7,981
General	Criminal Court	567
		<u>\$ 350,710</u>

NOTES TO FINANCIAL STATEMENTS

Note 7. Changes in Fixed Assets

A summary of changes in the General Fixed Assets Account Group is as follows:

	Balance January 1, <u>2002</u>	<u>Additions</u>	<u>Retirements</u>	<u>Reclassi- fications</u>	Balance December <u>31, 2002</u>
Land	\$ 273,340	\$ -	\$ -	\$ -	\$ 273,340
Buildings	1,512,729	-	-	1,123,457	2,636,186
Improvements other than buildings	-	100,943	-	283,808	384,751
Equipment and furniture	3,148,356	15,923	-	23,080	3,187,359
Under capital lease	790,171	42,118	-	(23,080)	809,209
Construction in progress	116,570	1,290,695	-	(1,407,265)	-
Library books, etc.	<u>549,553</u>	<u>45,155</u>	<u>(43,042)</u>	<u>-</u>	<u>551,666</u>
Totals	<u>\$ 6,390,719</u>	<u>\$ 1,494,834</u>	<u>\$ (43,042)</u>	<u>\$ -</u>	<u>\$ 7,842,511</u>

Note 8. Changes in General Long-Term Debt

The following is a summary of long-term obligation transactions for the year ended December 31, 2002:

	Capital <u>Leases</u>	General Obligation <u>Bonds</u>	<u>Notes</u>	Compensated <u>Absences</u>	<u>Totals</u>
Balance - January 1, 2002	\$ 343,713	\$ 6,411	\$ 87,063	\$ 26,133	\$ 463,320
Additions	42,118	-	100,000	4,295	146,413
Retirements	<u>(161,452)</u>	<u>(6,411)</u>	<u>(27,505)</u>	<u>-</u>	<u>(195,368)</u>
Balance - December 31, 2002	<u>\$ 224,379</u>	<u>\$ -</u>	<u>\$ 159,558</u>	<u>\$ 30,428</u>	<u>\$ 414,365</u>

The Jury records items under capital lease as fixed assets and the related obligation in the General Long-Term Debt Account Group. At December 31, 2002, the Jury had nine equipment capital leases in effect with original recorded amounts of \$774,352. The following is a schedule of future minimum lease payments together with the present value of the net minimum lease payments as of December 31, 2002:

NOTES TO FINANCIAL STATEMENTS

Year Ending December 31,	
2003	\$ 163,744
2004	55,390
2005	12,163
2006	<u>7,854</u>
Total minimum lease payments	\$ 239,151
Less amounts representing interest	<u>(14,772)</u>
 Present value of net minimum lease payments	 <u>\$ 224,379</u>

During 2000, the Jury borrowed \$100,000 from a local financial institution and constructed a new motor vehicle office. The note is payable in monthly installments of \$1,112, bears interest at 6.0%, and matures over a period of ten years.

In September 2002, the Jury borrowed \$100,000 from a local financial institution to remove the existing and install a new air conditioning system in the courthouse. The note is payable in five annual installments of \$20,000 each, commencing on October 1, 2003, and one final installment of \$22,530 due on October 1, 2008. The note bears interest at 6.0%. During 2002, the Jury used proceeds of \$22,000 from a rural development grant to prepay on the note.

The annual requirements to amortize the notes payable as of December 31, 2002, including interest of \$33,666 are as follows:

Year Ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2003	\$ 24,005	\$ 9,334	\$ 33,339
2004	25,458	7,881	33,339
2005	27,003	6,336	33,339
2006	28,639	4,700	33,339
2007	23,555	2,964	26,519
2008 - 2010	<u>30,898</u>	<u>2,451</u>	<u>33,349</u>
	<u>\$ 159,558</u>	<u>\$ 33,666</u>	<u>\$ 193,224</u>

At December 31, 2002, employees of the Jury had accumulated and vested \$30,428 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. This amount is recorded within the General Long-Term Debt Account Group.

NOTES TO FINANCIAL STATEMENTS

Note 9. Pension Plan and Other Pension Liabilities

Plan Description:

Substantially all employees of Richland Parish Police Jury are members of Parochial Employees' Retirement System of Louisiana (the "System"), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Jury are members of Plan A.

Employee Eligibility Requirements:

All employees working at least 28 hours per week and all elected parish officials are eligible to participate.

Retirement Benefits:

<u>Plan</u>	<u>Minimum Age</u>	<u>Years of Service</u>	<u>Factor</u>	<u>Percent of Final Average Salary</u>
Parochial Plan A	60	10	3%	30%
	55	25	3%	75%
	Any age	30	3%	90%

Final-average salary is the employee's salary over the 36 consecutive or joined months that produces the highest average. The System provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225)928-1361.

Funding Policy:

State statute requires covered employees to contribute a percentage of their salaries to the System. As provided by R.S. 11:103, the employer contributions are determined by an actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

NOTES TO FINANCIAL STATEMENTS

Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and the Jury is required to contribute at an actuarially determined rate. The current rate is 7.75 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The Jury's contributions to the System under Plan A for the year ended December 31, 2002, 2001, and 2000 were \$84,536, \$80,497, and \$80,011, respectively, equal to the required contributions for each year.

Other Pension Liabilities:

The Jury pays a portion of the salaries for employees of the registrar of voters and some employees of Fifth Judicial District Criminal Court. These employees are also covered by multiple-employer public employees retirement systems. The contributions are considered immaterial with respect to the Jury and the benefit systems as a whole.

Note 10. Changes in Agency Fund

A summary of changes in assets and liabilities follows:

	Balance January 1, <u>2002</u>	<u>Additions</u>	<u>Reductions</u>	Balance December <u>31, 2002</u>
Assets:				
Cash in bank	\$ 188,116	\$ -	\$(47,160)	\$ 140,956
Receivables	<u>8,423</u>	<u>-</u>	<u>(217)</u>	<u>8,206</u>
Total assets	<u>\$ 196,539</u>	<u>\$ -</u>	<u>\$(47,377)</u>	<u>\$ 149,162</u>
Liabilities:				
Accounts payable	\$ 1,087	\$ 1,595	\$ -	\$ 2,682
Due to other funds	<u>195,452</u>	<u>-</u>	<u>(48,972)</u>	<u>146,480</u>
Total liabilities	<u>\$ 196,539</u>	<u>\$ 1,595</u>	<u>\$(48,972)</u>	<u>\$ 149,162</u>

NOTES TO FINANCIAL STATEMENTS

Note 11. Criminal Court Fund Balance

Louisiana Revised Statute 15:571.11 requires that one-half of any balance remaining in the Criminal Court Fund at year end be transferred to the General Fund. However, because of constraints related to funding the Criminal Court Fund, the Jury has elected not to transfer any amounts due from Fifth Judicial District Criminal Court.

As of January, 1996, the Criminal Court Fund began paying salaries and related costs of District Attorneys in lieu of the General Fund transferring amounts on a monthly basis to cover these costs. The remaining balance at each year end in the Criminal Court Fund, since the transfers have ceased being made, has not been material in relation to the financial statements taken as a whole.

Note 12. On-Behalf Payments for Salaries

For the year ended December 31, 2002, the Jury recognized revenue and expenditures of \$10,800 in salary supplements from State of Louisiana paid directly to justices of the peace and constables.

Note 13. Contingencies and Risk Management

The Jury is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Jury carries commercial insurance for all risks of loss, including worker's compensation and employee health and accident insurance. Settlements have not exceeded insurance coverage for the current year or the three prior years.

The Jury has been named as the defendant in two lawsuits which are pending as of the date of this report. The lawsuits have arisen principally in the normal course of operations with only one case being commercially insured. The Jury's legal counsel is of the opinion that there is some immaterial exposure in both cases. The financial statements contain no provision for any losses that may result from these litigations.

NOTES TO FINANCIAL STATEMENTS

The Jury participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Jury has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable at December 31, 2002 may be impaired. In the opinion of the Jury's management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

COMBINING FINANCIAL STATEMENTS

SPECIAL REVENUE FUNDS

Account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes:

Road Maintenance Fund - constructing, maintaining, and repairing public roads and bridges in the parish.

Drainage Maintenance Fund - maintaining drainage canals and ditches in the parish and for acquiring, maintaining, and/or operating drainage machinery and equipment.

Health Unit Fund - constructing, equipping, maintaining, and operating a health unit for the parish.

Off-Duty Officers Fund - payment of witness fees to off-duty officers.

Library Fund - equipping, maintaining, and operating a library for the parish.

Criminal Court Fund - provides partial funding for the general operating costs of the criminal court, to include transcriptions, statements, costs of the petit and grand juries, attendance fees, and certain costs of the district judges and the district attorney.

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
December 31, 2002

	<u>Road Maintenance</u>	<u>Drainage Maintenance</u>	<u>Health Unit</u>
ASSETS			
Cash	\$ 8,283	\$ 218,514	\$ 283,411
Investments	-	-	2,279
Receivables	17,109	150	173,500
Due from other funds	<u>211,560</u>	<u>56,796</u>	<u>-</u>
Total assets	<u>\$ 236,952</u>	<u>\$ 275,460</u>	<u>\$ 459,190</u>
LIABILITIES AND EQUITY			
Liabilities:			
Account payables	\$ 46,988	\$ 6,937	\$ 159,082
Property taxes paid under protest	-	-	2,279
Due to other funds	7,981	96,706	-
Deferred revenue	-	-	68,764
Payable from restricted assets:			
Deposits held for others	<u>12,177</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>\$ 67,146</u>	<u>\$ 103,643</u>	<u>\$ 230,125</u>
Equity:			
Fund balances - unreserved and undesignated	<u>169,806</u>	<u>171,817</u>	<u>229,065</u>
Total liabilities and equity	<u>\$ 236,952</u>	<u>\$ 275,460</u>	<u>\$ 459,190</u>

<u>Off-Duty Officers</u>	<u>Library</u>	<u>Criminal Court</u>	<u>Totals</u>
\$ 43,381	\$ 186,343	\$ 6,597	\$ 746,529
-	12,944	-	15,223
775	382,241	12,642	586,417
<u>-</u>	<u>-</u>	<u>-</u>	<u>268,356</u>
<u>\$ 44,156</u>	<u>\$ 581,528</u>	<u>\$ 19,239</u>	<u>\$ 1,616,525</u>
\$ -	\$ 7,922	\$ 9,400	\$ 230,329
-	12,944	-	15,223
-	-	568	105,255
-	389,481	-	458,245
<u>-</u>	<u>-</u>	<u>-</u>	<u>12,177</u>
\$ -	\$ 410,347	\$ 9,968	\$ 821,229
<u>44,156</u>	<u>171,181</u>	<u>9,271</u>	<u>795,296</u>
<u>\$ 44,156</u>	<u>\$ 581,528</u>	<u>\$ 19,239</u>	<u>\$ 1,616,525</u>

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Year Ended December 31, 2002

	<u>Road Maintenance</u>	<u>Drainage Maintenance</u>	<u>Health Unit</u>
Revenues:			
Taxes	\$ 1,621,232	\$ 800,616	\$ 62,387
Intergovernmental	193,661	86,495	852,005
Fees, charges, and commissions for services	-	-	-
Fines and forfeitures	-	-	-
Interest and miscellaneous	<u>106,358</u>	<u>527</u>	<u>1,681</u>
	<u>\$ 1,921,251</u>	<u>\$ 887,638</u>	<u>\$ 916,073</u>
Expenditures:			
Current:			
General government:			
Judicial	\$ -	\$ -	\$ -
Public works	1,969,409	611,264	-
Health and welfare	-	-	39,832
Culture and recreation	-	-	-
Debt service	67,026	112,610	-
Capital outlay	<u>49,118</u>	<u>-</u>	<u>1,045,012</u>
	<u>\$ 2,085,553</u>	<u>\$ 723,874</u>	<u>\$ 1,084,844</u>
Excess (deficiency) of revenues over expenditures	\$(164,302)	\$ 163,764	\$(168,771)
Other financing sources:			
Proceeds of capital leases	42,118	-	-
Operating transfers in (out)	<u>-</u>	<u>(30,000)</u>	<u>(3,000)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$(122,184)	\$ 133,764	\$(171,771)
Fund balances - beginning	<u>291,990</u>	<u>38,053</u>	<u>400,835</u>
Fund balances - ending	<u>\$ 169,806</u>	<u>\$ 171,817</u>	<u>\$ 229,064</u>

<u>Off-Duty Officers</u>	<u>Library</u>	<u>Criminal Court</u>	<u>Totals</u>
\$ -	\$ 354,759	\$ -	\$ 2,838,994
-	79,319	-	1,211,480
-	1,635	-	1,635
20,058	939	198,017	219,014
<u>153</u>	<u>2,542</u>	<u>756</u>	<u>112,017</u>
<u>\$ 20,211</u>	<u>\$ 439,194</u>	<u>\$ 198,773</u>	<u>\$ 4,383,140</u>

\$ 2,990	\$ -	\$ 191,900	\$ 194,890
-	-	-	2,580,673
-	-	-	39,832
-	350,982	-	350,982
-	-	-	179,636
-	<u>47,227</u>	<u>4,319</u>	<u>1,145,676</u>
<u>\$ 2,990</u>	<u>\$ 398,209</u>	<u>\$ 196,219</u>	<u>\$ 4,491,689</u>

\$ 17,221	\$ 40,985	\$ 2,554	\$ (108,549)
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-	-	-	42,118
<u>(1,000)</u>	<u>(14,000)</u>	<u>-</u>	<u>(48,000)</u>

\$ 16,221	\$ 26,985	\$ 2,554	\$ (114,431)
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<u>27,935</u>	<u>144,197</u>	<u>6,717</u>	<u>909,727</u>
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<u>\$ 44,156</u>	<u>\$ 171,182</u>	<u>\$ 9,271</u>	<u>\$ 795,296</u>
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SUPPLEMENTARY INFORMATION

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

SCHEDULE OF JURORS' COMPENSATION
Year Ended December 31, 2002

The schedule of compensation paid to jurors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the jurors is included in the legislative expenditures of the General Fund. In accordance with Louisiana Revised Statute 33:1233, the Jury has elected the monthly payment method of compensation. Under this method, the jurors each received \$600 per month which was increased to \$800 each per month effective in April, 2002, as follows:

Steve Britton	\$ 2,600
Jesse Washington	9,000
Willie Tatum	400
Steve Lofton	9,000
Frank Greer	9,000
Thomas K. Gray	9,000
Thomas Spradling	6,000
Ronald Gilley	9,000
Althan Smith	9,000
Sharon D. Kelley	9,000
William Moore	<u>9,000</u>
 Total jurors' compensation	 <u>\$ 81,000</u>

HILL, INZINA & COMPANY

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Police Jurors
Richland Parish Police Jury
Rayville, Louisiana

We have audited the primary government financial statements of Richland Parish Police Jury, as of and for the year ended December 31, 2002, and have issued our report thereon dated May 9, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Jury's primary government financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as item 2002-3. We also noted certain immaterial instances of noncompliance that we have reported to management of Richland Parish Police Jury, in a separate letter dated May 9, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Jury's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the primary government financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Jury's ability to record, process, summarize, and report financial data consistent with the

assertions of management in the primary government financial statements. The reportable conditions are described in the accompanying schedule of findings and questioned costs as items 2002-1 and 2002-2.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the primary government financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider item 2002-1 to be a material weakness. We also noted other matters involving the internal control over financial reporting that we have reported to management of Richland Parish Police Jury, in a separate letter dated May 9, 2003.

This report is intended solely for the information and use of management, others within the organization, police jurors, federal awarding agencies, and pass-through entities and it is not intended to be and should not be used by anyone other than these specified parties.

Hill, Smyth & Co.

May 9, 2003

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS WITH
MANAGEMENT'S PLANNED CORRECTIVE ACTION
Year Ended December 31, 2002

We have audited the primary government financial statements of Richland Parish Police Jury as of and for the year ended December 31, 2002, and have issued our report thereon dated May 9, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Our audit of the financial statements as of December 31, 2002, resulted in an unqualified opinion.

Section I - Summary of Auditor's Report

Report on Compliance and Internal Control Material to the Financial Statements

Compliance

Compliance Material to Financial Statements ☒ Yes ☐ No

Internal Control

Material Weaknesses ☒ Yes ☐ No Reportable Conditions ☒ Yes ☐ No

Section II- Financial Statement Findings

2002-1 Inadequate Segregation of Duties (finding was cited in first audit conducted by our firm as of and for the two years ended December 31, 1992)

Criteria: Adequate segregation of duties is essential to a proper internal control structure.

Condition: The segregation of duties is inadequate to provide effective internal control.

Cause: The condition is due to economic and space limitations.

Effect: Not determined.

Recommendation: No action is recommended.

Management's
response and
planned cor-
rective action:

We concur in the finding, but it is not economically feasible nor does space allow for corrective action to be taken.

2002-2 Purchase Orders

Criteria:

Per the Jury's procedure manual for improvements and maintenance of public works, all purchases made by the purchasing agent and/or assistant purchasing agent shall be made by purchase order. Each purchase order shall be sequentially numbered by printer. Each purchase order shall show name and address of vendor, description of materials purchased, quantity, unit price, extended price, and total price. The purchase order shall also reflect the purpose of the purchase and location of materials used. Each purchase order shall include the month, day, and year and shall be recorded at the time of issuance. Each purchase order shall be signed by the purchasing agent and/or assistant purchasing agent.

Condition:

Purchase orders are not being issued according to all of the provisions of the procedure manual for improvements and maintenance of public works.

Context:

11 applicable purchase orders (totaling \$5,220) were noted as not being issued according to all of the provisions of the procedure manual out of a total of 22 individual transactions examined (totaling \$27,472). The 22 purchase orders were not signed by the purchasing agent and/or assistant purchasing agent, were not issued, were dated after the invoice date, and/or were referenced on the invoice but were not attached to the canceled supporting documentation.

Cause:

Jury employees have not accepted the value of such documentation.

Effect:

Documentation for affected expenditures is inadequate according to the provisions of the current procedure manual in use.

Recommendation:

We recommend that the Jury promptly address the matter of purchase orders being issued pursuant to the procedure manual.

Management's
response and
planned cor-
rective action:

We concur in the findings and will enforce the policies as adopted.

2002-3 Unsecured Deposits (initial citing)

Criteria:	Under state law, bank balances must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.
Condition:	As of December 31, 2002, the market value of pledged securities plus the federal deposit insurance was \$4,829 less than the amount on deposit with the local fiscal agent bank.
Cause:	Market value of pledged securities was not adequately monitored.
Effect:	Deposits of the Jury were uninsured and uncollateralized.
Recommendation:	The Jury should monitor the market value of securities pledged on behalf of the Jury's funds to insure adequacy of pledging.
Management's response and planned corrective action:	We concur in the finding and will monitor the market value of pledged securities on a monthly basis.

RICHLAND PARISH POLICE JURY
RAYVILLE, LOUISIANA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended December 31, 2002

Section I - Compliance and Internal Control Material to Financial Statements

2001-1 Inadequate Segregation of Duties

Adequate segregation of duties is essential to proper internal control.

Unresolved - 2002-1.

Section II - Management Letter

2001-1 Purchase Orders

Purchase orders are not being issued according to all of the provisions of the procedure manual for improvements and maintenance of public works.

Unresolved - 2002-2.

2001-2 Repayment of Amounts Due to Other Funds

Deposits to and expenditures from the individual funds should be restricted to those amounts authorized by state statutes, tax propositions, and budget ordinances.

Unresolved -
management letter 2002-1.

2001-3 Jurors' Monthly Salary Checks

Jurors are to be paid at the first of the month for the prior month's services and monthly salaries are to be pro-rated according to time served upon a juror leaving or taking office.

Resolved.

2001-4 Capital Lease Terms

Capital lease payments and buy-out provisions should be carefully reviewed and scheduled so that timely notification to exercise a buy-out provision will be made.

Resolved.

- 2001-5 Agreement of Reconciliations to Trial Balances
Upon monthly reconciliations of bank account
balances, the balances should be agreed to the
appropriate month end trial balances with adjustments
being made if necessary. Resolved.
- 2001-6 Parochial Employees' Retirement System
Full-time, permanent employees of the Jury are
required by state statute to participate in the Parochial
Employees' Retirement System. Resolved.
- 2001-7 Payment of Both Vacation and Regular Pay for Same Period
The Jury may not allow its employees to receive both
vacation pay and regular pay for the same period of
time. Resolved.
- 2001-8 Related Party Transactions
The auditors were not provided from each juror a
completed related party questionnaire as prepared and
requested by the auditors. Unresolved -
management letter 2002-2.

HILL, INZINA & COMPANY

Police Jurors
Richland Parish Police Jury
Rayville, Louisiana

We have audited the primary government financial statements of Richland Parish Police Jury, as of and for the year ended December 31, 2002, and have issued our report thereon dated May 9, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

As part of our examination, we have issued our report on internal control and compliance with laws, regulations, contracts, and grants, dated May 9, 2003.

During the course of our examination, we became aware of the following matters which represent immaterial deviations of compliance or suggestions for improved internal control.

2002-1 Repayment of Amounts Due to Other Funds

- | | |
|-----------------|--|
| Criteria: | Deposits to and expenditures from individual funds should be restricted to those amounts authorized by state statutes, tax propositions, budget ordinances, and Jury approval. |
| Condition: | Amounts have been recorded as payable to other funds resulting from amounts being deposited into or payments being made from an incorrect fund, coding errors, etc. |
| Cause: | Errors were made when completing records and making deposits. The Jury was not specifically requested to approve the change of funds from which payments were being made. |
| Effect: | The affected individual funds should have access to the amounts to which they are entitled. |
| Recommendation: | As funds become available, amounts due to other funds should be repaid. Formal approval should be given by the Jury prior to the change of payments being made from one fund to another. |

Management's
response and
planned cor-
rective action:

We concur in the findings. As funds become available, amounts due to other funds will be repaid and formal approval will be granted prior to a change in funds from which payments are made.

2002-2 Related Party Transactions

Criteria: Related party transactions can be extremely important because of the adverse public reaction to publicity concerning such transactions.

Condition: The auditors were not provided from each juror a completed related party questionnaire as prepared and requested by the auditors.

Cause: The jurors did not realize the relevance of the requested information to the audit being performed.

Effect: Related party transactions may be occurring and not being recorded in the accounting records.

Recommendation: For future audit periods, each juror serving during the audit period should complete the related party questionnaires as provided in its entirety and return it promptly to the auditors as requested.

Management's
response and
planned cor-
rective action:

We concur in the finding and will address the matter with the jurors who did not respond timely.

We recommend that management address the foregoing issues as improvements to operations and the administration of public programs. We are available to further explain the suggestions or to help implement the recommendations.

Hill, Dryden & Co.

May 9, 2003